


# *Keeping Michigan's Economy Humming While Protecting the Great Lakes from an Oil Disaster*



Enbridge Energy's Line 5 uses Michigan and the Great Lakes as a shortcut for mostly Canadian petroleum products to reach mostly Canadian and export markets. However, there are three services that Line 5 provides to the state of Michigan, which are often cited by decision makers as the reason to leave Line 5 in operation. Fortunately, independent, authoritative analysis reveals that alternatives to Line 5 are feasible and have no noticeable impact on Michigan's economy or energy prices.



London Economics International (LEI), as commissioned by the National Wildlife Federation and supported by the C.S. Mott Foundation and others, conducted an independent alternatives analysis for Michigan-specific needs. These reports are the first to examine the needs of Michigan communities and businesses, rather than focus on the needs of oil pipeline operator Enbridge. The reports – summarized below – conclude that Line 5 can be decommissioned without any noticeable or significant economic impact to the state, citizens and businesses.

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## *Protecting the Great Lakes While Providing 3 Important Services*

### *1. Propane Supply to the Upper Peninsula*



LEI found that trucking or rail could supply the raw materials for propane to Michigan's Upper Peninsula with minor price impacts (\$6/month for most families), so long as the industry has the lead time needed to develop and implement the trucking-based supply chain (approximately 6 months). The state could easily make up for this price increase with a small increase in energy assistance for the U.P. There would likely be no price change for residents in the lower peninsula.



## 2. Michigan-Produced Oil



LEI found that the small volume of Michigan-produced crude oil production that utilizes Line 5 to get to market could utilize trucking directly as a feasible alternative. If Line 5 were decommissioned, this oil could be in higher demand and, therefore, the projected small cost increase (\$.03/gallon) would likely not impact profitability for Michigan crude oil producers. It would have no noticeable impact to consumers.

## 3. Michigan- and Toledo-area Refineries

LEI found that there is enough capacity in existing oil pipelines to make up for the potential losses at Detroit and Toledo-area refineries if Line 5 were decommissioned. The estimated increased cost to consumers would be a fraction of a cent/gallon, and would be lost in the noise of normal price volatility.



This independent source, which conducted the most in-depth analysis to date, concludes that

***Line 5 could be decommissioned with little to no impact to Michigan's economy,***

if proper time is given to develop the alternatives (6-10 months). There are no significant economic barriers to the decommissioning of Line 5. **Gov. Rick Snyder cut a back-room deal** with the pipeline operator Enbridge, the company responsible for one of the largest inland oil disaster in U.S. history near Kalamazoo, Michigan.

**The deal attempts to prevent the state from acting in the best interests of Michigan's citizens, communities and businesses.**

## *The Snyder-Enbridge deal*

allows for the 65-year-old Line 5, in the open waters of the Great Lakes, to remain operational for the foreseeable future. We have feasible solutions that work for our citizens and our businesses if we decommission Enbridge Energy's Line 5 – the Snyder/Enbridge deal only benefits Enbridge. The implications are clear: the best course of action for Michigan's economy and environment is to decommission Line 5. While there are substitutes for Line 5, there are no alternatives for the Great Lakes and our way of life.



*Line 5 Straits of Mackinac Inspection Video*